ported that the results of the final selection of candidates for recruitment have not been declared so far. The bank will verify the caste certificates of these candidates before appointing any of them against the respective reserved vacancies.

Permission to foreign companies for setting up subsidiaries

7739. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken a policy decision that foreign companies should not be permitted for setting up their 100% subsidiaries in consumer goods sector in India;

(b) if so, what are the reasons that Foreign Investment Promotion Board (FIPB) is not strictly adhering to this policy;

(c) whether it is a fact that very recently Foreign Investment Promotion Board (FIPB) has granted permission to U.S. Cosmetic giant, AVON and others to set up a 100% subsidiaries in India in the consumer goods sector; and

(d) what action has been taken by Government to stop such practices?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Government's Foreign Direct Investment Policy is governed by the Statement on Industrial Policy laid on the Table of the House on 24th July, 1991. As per this policy, the Reserve Bank of India accords automatic approval for foreign equity investment upto 51% in high priority sectors listed in Annex. III to the Statement on Industrial Policy. All other proposals, including proposals for setting up 100% foreign owned subsidiaries, are considered and approved on merit by the Government under the usual policy. Entry of foreign companies provides access to international markets apart from creating competition among manufacturers resulting in efficiency, cost control, quality assurance, product upgradation and better after-sale-service to the consumers. Government's Foreign Investment Policy is constantly under watch so as to make it internationally competitive. M/s. Avon Products Inc. of USA have been given approval on 21st April, 1995 for setting up a wholly owned subsidiary for the manufacture, either directly or through a joint venture, for various cosmetics and toiletries including colour cosmetics, skin care and sun-care products, fragrances, shampoos, etc., but excluding the items reserved for the small-scale sector. Approval is subject to the condition that the foreign exchange outgo on account of dividend payment shall be balanced by export earnings over a period of 7 years.

Setting up of foreign subsidiaries

7740. SRHI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) what are the names and addresses of foreign companies which have been approved for setting up of their 100 per cent subsidiaries in India in consumer goods sector as on date and the area of their interest, serial-wise;

(b) what are the names and addresses of foreign companies which have not been given aproval for setting up of 100 per cent subsidiaries and have been asked to find an Indian partner; what is the area of their interest, serial-wise; and

(c) what is the policy for setting up of foreign subsidiaries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The information is being collected and will be laid on the Table of the House.

Subsidiaries in consumer goods

7741. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state the reasons for which Government do not adopt a uniform policy in not allowing 100% subsidiaries in India by foreign companies in consumer goods sector and make it obligatory for foreign companies to find an Indian partner?